



Memorandum

Meeting Details: May 28, 2025 – Board of Commissioners Workshop
Prepared For: Honorable Mayor Brooks and the Board of Commissioners
Staff Contact: Community Development Department
Subject: Impact Fees

Background

Impact fees are one-time charges imposed by local governments on new development to fund infrastructure and capital improvements necessitated by growth. These fees help ensure that new development pays a fair share of the cost of public facilities such as roads, parks, schools, and utilities.

In Florida, the authority for local governments to impose impact fees is derived from home rule powers under Article VIII of the Florida Constitution and is further governed by state statutes and case law. The primary statute governing impact fees is Florida Statutes §163.31801, commonly referred to as the Florida Impact Fee Act.

Discussion

Madeira Beach impact fees were adopted in June of 2021 and in effect April 1, 2022. The fee rate increases each fiscal year until October 2028 when the fees are at 100% of the calculated rate (page 6 and 7 of Ordinance 2021-10).

Adjustments to the impact fees require an updated impact fee study by a qualified consultant that reviews a rational connection between the fee imposed and the need for additional capital facilities generated by the new development, and proportionality between the fee amount and the cost of the improvements needed to serve the development.

Pinellas County also has impact fees that are collected locally (Chapter 150 of the Pinellas County Code). Half of this fee is retained locally and used for multimodal. Pinellas County is currently reviewing and studying their multimodal impact fees.

In November 2024, building permit fees were reduced from 2% to 1%. Revenue from these fees goes into the building fund, which is restricted to covering building department-related expenses only. Impact fees are also collected but are limited to funding capital projects in the categories of culture and recreation, mobility, or public safety.

Fiscal Impact

The impact fees collected go towards parks, recreation, public safety, and mobility improvements.

Recommendation(s)

Staff recommends keeping the current impact fees in place and use the funds. If the Board wants to review and possibly change the impact fees, staff recommends hiring a qualified consultant.

Attachments/Corresponding Documents

- Ordinance 2021-10 Creation of a proportionate-share development fee (impact fee)
- Pinellas County Impact Fees_Chapter 150
- Impact Fee Calculations (5/24/2025)